

Re San Diego City Employees']
Retirement System - Request for]
Plan of Divestment From Any]
Companies with Business]
Operations in Iran]

DRAFT

RESOLUTION _____

WHEREAS, on October 14, 2007, California Governor Arnold Schwarzenegger signed into law Assembly Bill 221 (AB 221) amending the California Government Code by adding Section 7513.7 thereto entitled "Investment in Company with Business in Iran Prohibited; Definitions; Criteria; Exemptions", and further by amending Section 16642 thereof entitled "Indemnification of Individuals Deciding to Restrict, Reduce, or Eliminate Investments Pursuant to §§ 7513.6 and 7513.7"; and

WHEREAS, AB 221 went into effect on January 1, 2008, and created the California Public Divest from Iran Act; and

WHEREAS, AB 221 prohibits the Public Employees' Retirement System and the State Teachers' Retirement System from investing public employee retirement funds in a company with business operations in Iran that is invested in or engaged in business operations with entities in the defense or nuclear sectors of Iran, or the company is invested or engaged in business operations with entities involved in the development of petroleum or natural gas resources of Iran, and that company is subject to sanctions under federal law, as specified, or the company is engaged in business operations with an Iranian organization that has been labeled as a terrorist organization by the United States government; and

WHEREAS, AB 221 requires the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board of the State Teachers' Retirement System to sell or transfer any investments in a company with business operations in Iran,

until Iran is removed from the United States Department of State's list of countries that have been determined to repeatedly provide support for acts of international terrorism, and the President of the United States determines and certifies that Iran has ceased its efforts to design, develop, manufacture, or acquire a nuclear explosive device or related materials and technology, as specified; and

WHEREAS, AB 221 states that excluding companies with business activities in foreign states such as Iran that sponsor terrorism and divesting from public portfolios will help protect the public retirement systems in California from investment losses related to these business activities and may improve the investment performance of the public retirement systems; and

WHEREAS, the San Diego Unified Port District (District) has contracted with the San Diego City Employees' Retirement System (SDCERS) to administer retirement benefits for District employees and beneficiaries since 1963, most recently through the Amended and Restated San Diego Unified Port District Retirement Plan and Trust, on file in the office of the District Clerk as Document No. 53026; and

WHEREAS, SDCERS is considered a public retirement system; and

WHEREAS, the Board of Port Commissioners of District desires that the Board of Administration of SDCERS develop a plan of divestment from any companies with business operations in Iran, as specified in said California Public Divest from Iran Act, NOW, THEREFORE,

BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Board hereby requests that the Board of Administration of SDCERS identify any investments in foreign-owned companies with business operations in Iran or Iran's energy, defense, or nuclear sectors, and further to develop a plan of divestment in any such companies or investments in accordance with said California Public Divest from Iran Act

BE IT FURTHER RESOLVED that a copy of this Resolution be delivered to the Board of Administration of SDCERS and any other interested parties.

ADOPTED this _____ day of _____, 2008.

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5/6/08